

# EXHIBIT 1

## DEFINITIONS

Words and terms shall be given their ordinary and usual meanings. Where used in the Contract, the following words and terms shall have the meanings indicated. The meanings shall be applicable to the singular, plural, masculine, feminine and neuter of the words and terms.

**Act of Nature** - A phenomenon of nature, such as an earthquake, flood or cyclone.

**Agency or Agencies**- The term to be used when referring to one or more of the participating public transportation agencies.

**Agency Consultants** – Consultants that may be retained by one or more of the Agencies from time to time to assist them in operating and maintaining the RFCS but not a contractor retained to provide O&M services for the RFCS of substantially the same scope as the O&M portions of this Contract.

**Agreed Change Order** – Change Order issued by the Agencies with the Contractor's agreement, including but not limited to Change Orders for analysis and proposal preparation under Section 3.1-31.5.2 and Change Orders for new work under Section 3.1-31.5.3.

**Alternative**- An approach or specific method of implementing a system or function to meet or exceed stated requirements.

**Audit** - An examination of records or accounts to verify accuracy and status.

**Authentication** - A technique to confirm the identity of a card or a computer system.

**Automated Clearing House** - A funds transfer system operated in the U.S. by the Federal Reserve and national and regional banking industry service providers that provides automated next-day inter-bank clearing and settlement of participating depository institutions' bulk electronic payments.

**BOC** – Back Office Computer

**Beneficial Use Status** – The point during Full System Acceptance Testing when revenue service operation of the RFCS meets the following criteria:

- a. the number of transactions processed in a calendar month has reached at least three million, or three complete calendar months have transpired after completion of the Settling-in Period as specified in Section 6.II-11.4.7.1, whichever shall first occur; and
- b. for thirty (30) consecutive days ending on or after the occurrence of one of the triggering events in (a) above, transactions have been processed, and revenue has been settled to the Agencies, in accordance with the Contract.

**CST** – Customer Service Terminal

**Cardholder** - The end user of the RFCS card.

**Change** - Revisions to the Work, as directed or approved by the Agencies, to incorporate additional functions or functionality not specified in the Contract in RFC Systems, subsystems and components.

**Change Order** - Written order issued by the Agencies, with or without notice to sureties, making changes in the Work.

**Claims** - Claims, demands, suits, actions, damages, expenses (including attorneys' fees and related costs whether or not litigation is commenced) and liabilities of any kind ("Claims").

**Clearinghouse System (CHS)** - The central revenue and ridership data management systems, hardware and software.

**Consumer Price Index (CPI)** – The index published by the U.S. Department of Labor and specifically applied as set forth in Section 3.1-76.6.

**Contract Documents** – the documents which together comprise the RFC Contract as set forth in Section 3.1-2.2.

**Contract Administrator** - The individual holding the position of "Operations Manager", which is the position designated by the Agencies to act on their behalf in accordance with Section 2.1-3.

**Contract Deliverables** – The documents listed in Figure II-11.3 and Figure II-11.6 and any other documents delivered pursuant to a Change Order.

**Contract Price** - Amount payable to the Contractor under the terms and conditions of the Contract for the satisfactory performance of the Work under the Contract.

**Contractor** – Vix Technology (USA) Inc, a California Corporation

**Contractor IP** – All Intellectual Property and any Updates and Upgrades thereto that are created or provided by the Contractor for use in the RFC System, except for RFCS IP, Third Party IP, DDU IP, RCU IP, Use Data, Use Data Reports and those Contract Deliverables not specifically identified as containing Contractor IP in Section 35.5.

**Credit Card** - A card that enables the cardholder to make transactions against a credit account established with the card issuer.

**DAC** – Data Acquisition Computer

**Damages** – any direct and indirect damages, including but not limited to increased direct and indirect costs, overhead, losses, delayed revenue receipts, loss of use, loss of time, loss of goodwill, inconvenience, commercial loss, lost profits or anticipated business savings, wasted management time or other indirect, incidental or consequential damages.

**Day** - Calendar day.

**Debit/ATM Card** - A card used to make transactions that are linked to the cardholder's bank account.

**Derivative Work** – Any addition, extension, improvement, compilation, abridgement or other form in which an existing work is recast, transformed or adapted.

**DDU (Driver Display Unit)** – The human-machine interface for driver interaction with on-board systems on a transit vehicle.

**DDU IP** – All Intellectual Property and any Updates and Upgrades thereto, that are developed by the Contractor after execution of the Contract to comply with the Agencies' requirements for the DDU, consisting of:

- (1) the designs and related documents developed to incorporate the look, feel, logic, menus, hierarchy of functions, text displays and other Contract requirements that are specified by the Agencies for the DDU in the original Contract or as agreed to during the design process, including but not limited to the "Conceptual King County Driver Display Unit Operating Concept" attached as Appendix F and Section 6.III-6.8.4 of the Contract entitled "Community Transit Integration";
- (2) the software and firmware developed solely to implement the agreed-upon design;
- (3) the software and firmware developed by the Contractor as specified in the Contract to enable the DDU to control the RCU and operate King County's radio and AVL devices and functions, independent of the functioning of the RFCS; and
- (4) any software and firmware developed by the Contractor, as specified in the original Contract or at subsequent Agency request via Change Order, that enable the DDU to operate any other non-RFCS devices or functions independent of the functioning of the RFCS.

**Detailed RFCS Release Plan** – A document issued prior to the commencement of work on a specified RFCS Release that lists all documents, test plans and test procedures to be utilized and/or revised as part of the development, testing and release of the RFCS Release, as well as proposed schedule of RFCS Release and Document Revision activities (including the RTB Test Period agreed to for that RFCS Release).

**Directive Change Order** – a Change Order issued by the Agencies without the Contractor's agreement as provided by Section 3.I-31.4.

**Document Revisions** – Any changes to the content, format or presentation of a document whether in electronic or paper format.

**FTP** – Fare Transaction Processor

**Fault** – A fault or defect in any equipment or software comprised in the RFC System which causes it to operate other than in accordance with the Contract requirements.

**Firmware** – Software kept in semi-permanent memory in hardware.

**Full System Acceptance** – The Agencies' Acceptance of the complete RFC System.

**Future Delay(s)** – Failure to timely complete a task with a "Finish" date after September 26, 2007 (effective date of CCA#3), as specified in the New Project Schedule attached to this Agreement.

**General Public Documentation** – Documentation related to any element of Intellectual Property that is designed to instruct the general public on the features, uses and functions of the RFC System.

**Hardware Revisions** – Any changes to the design or manufacture of ERG-supplied RFCS hardware, including but not limited to new hardware or peripherals, new or end-of-life replacement components used in existing hardware, and any hardware that has been altered or modified.

**Institutions** – Employers, educational institutions, social service agencies and other entities with whom the Agencies contract for distribution of RFCS smart cards to individual cardholders within the Territory.

**Intellectual Property** - Any invention, process, equipment, hardware, firmware, software, documentation, system, improvement, discovery, database, development, document or work product, which qualifies or may qualify for a patent, trademark, copyright, trade secret, or other form of proprietary right under the laws of a state, the United States of America, or any other country.

**Intellectual Property Infringement Claims** -Claims, demands, suits, actions, damages, expenses (including attorneys' fees and related costs whether or not litigation is commenced) and liabilities as defined in Section 3.I-64.6.

**IP Materials** - All materials related to software, firmware and hardware, whether classified as DDU IP, RCU IP, Contractor IP, RFCS IP or Third Party IP, and consisting of the following:

For software and firmware: the compiled executable code, interface specifications and Software Documentation for each program, module and element of software and firmware provided or used in the RFCS system or any unit of equipment

For hardware: chip designs/maskworks as applicable (e.g. smart card chips), hardware designs, patents, prototypes, User Documentation and General Public Documentation.

**Issuer** - A member of an interchange system that issues cards.

**Major Subcontractor** - Any Subcontractor at any tier, with a Subcontract of \$100,000 or greater, or with a subcontract which becomes valued at \$100,000 or greater through change order(s).

**Modification** - Customization or modification of Contractor supplied systems, subsystems or components to meet RFCS and Agency-specific requirements. These shall not be considered Change Orders under the Contract.

**Month** - The period commencing on the first day of a calendar month and ending at the beginning of the first day of the next succeeding calendar month.

**OBFTP** – On Board Fare Transaction Processor

**Off-line** - Not connected to a telephone or other communications network.

**Onboard Equipment (OBE)** – Units of RFCS equipment installed onboard Agency coaches; the PFTP's, SAFTP's and GAK's installed at Sound Transit and at Washington State Ferries; and any of the above in Test/Training Rigs as defined below.

**On-line** - Connected to a telephone or other communications network.

**O&M – Operation and Maintenance of the RFCS after Full System Acceptance.**

**Option or Optional** - An item that the Agencies may elect to have the Contractor provide, may decline, may elect to have done by others, or may change the quantity of.

**Overall RFCS Release Plan** - A document listing all Phase 2 Revisions, assigning each RFCS Revision to an RFCS Release, and providing a schedule of all planned RFCS Releases.

**Past Delay(s)** – Delay experienced prior to and through September 26, 2007 (effective date of CCA#3)

**PFTP** – Portable Fare Transaction Processor

**Person** - Includes individuals, associations, firms, companies, corporations, partnerships, and joint ventures.

**Phase 2 Revisions** – Collectively, Hardware, Software and/or Document Revision that will be provided in Phase 2 for Full System revenue service, including revisions listed in Section 2 and other revisions as may be agreed to by the Parties.

**Photo ID Unit** – Photo Identification Unit

**Product Business Rules Testing – Front Office Components (Definition only for purposes of Modified Testing Plan CCA #2 Attachment A)** – This includes testing of product business rules at a device and subsystem level for all devices and subsystems comprising the front office components – all variations of fare transaction processors, the gate adaption kit, customer service terminals, and all other onboard bus devices – with the exception of the TRU device. This shall include product business rule testing for both the Beta Test and Full System functionality.

**Production System** – The RFCS devices and systems to be utilized for operation of the RFCS in Phase 2, including equipment, networks and systems installed at/to Agency premises, and the RFCS clearinghouse and associated services. It is recognized that financial statement and funds movement will occur with use of this system.

**Proposer** – ERG Transit Systems (USA) Inc.

**Provide** - Furnish without additional charge.

**RCU (Radio Control Unit)** – An interface device for controlling King County's radio and automatic vehicle location systems on-board a transit vehicle.

**RCU IP** - The combination of the RCU Background IP and the RCU Developed IP.

**RCU Background IP** – All Intellectual Property owned by King County and in existence prior to this Contract which is licensed to the Contractor for development of the RCU.

**RCU Developed IP** – All Intellectual Property and any Updates and Upgrades thereto that are created or provided by the Contractor for use in the RCU.

**RCW** - The Revised Code of Washington.

**Regional Fare Coordination Contract (RFC Contract or Contract)** – The Contract entered into between the Contractor and each of the Agencies for the Development, Implementation, Operation and Maintenance of the Regional Fare Coordination System.

**Regional Fare Coordination System (RFCS)** - All systems, equipment and Work to be provided to (a) the Agencies under this Contract and (b) other providers of public transportation within the Territory as may be added to the RFCS either by amendment to this Contract or by separate contract with the Contractor and approved by the Agencies. Said Work includes but is not limited to the collection and processing of data related to the transit fares and other fees for government services provided by the Agencies or such other providers of public transportation within the Territory.

**RFCS Application** – The data, security keys and other elements unique to the RFCS that reside on a smart card in order that it can be used as a medium for payment in and through the RFCS.

**RFCS Card** – A smart card provided by the Contractor for an Agency to issue for use in the RFCS.

**RFCS IP** - All Intellectual Property and any Updates and Upgrades thereto that are created or provided by the Contractor for use in the RFC System which are developed by the Contractor solely for the purpose of complying with the Contract (but excluding the DDU IP, the RCU IP, the Contract Deliverables, Use Data and the Use Data Reports).

**RFCS Marks** – Any trademark or service mark used in relation to any element of the RFCS.

**RFCS Release** – Collectively, Hardware, Software and/or Document Revisions that are grouped together for the purpose of development, testing, and release into the RFCS test and productions environments.

**RFCS Release Notes** – A document provided with each RFCS Release describing the release content, application notes, and release instructions.

**RFP** - The documents issued by King County on behalf of the Agencies calling for Proposals on the Regional Fare Coordination Project, including all addenda issued by or on behalf of the Agencies.

**Revalue** - The initial valuation of a fare card with a pass or stored value, addition of a new pass or stored value, or extension of the period of time for which a pass is valid.

**RTB** – The Regional Testbed located in the Contractor's Seattle facility which includes all equipment, software and systems necessary to conduct end-to-end testing of the RFCS, except for banking interfaces, ACH file submission and settling with financial institutions. The RTB also includes the devices, connections and network that enable Washington State Ferries (WSF) to remotely access and RFCS Release in the RTB in order to test it in conjunction with other WSF hardware and software that are integrated with the RFCS.

**RTB Test Period** – The period of time that Agency staff have access to the RTB for the purpose of conducting user testing of an RFCS Release.

**SAFTP** – Stand-Alone Fare Transaction Processor

**Schedule Change** – The changes to the Project Schedule that are encompassed in the New Project Schedule that is attached to the Contract Change Agreement #3 in a high level outline and is subsequently approved by the Agencies in a consistent, fully-detailed version pursuant to Section 5.1 of Amendment Twenty-three, attached hereto as CCA#3-Attachment A, including (a) any Past Delays; (b) any changes in the time for the total Project Schedule, each Project and Payment Milestone and/or each listed task or activity; and (c) the past, present and future effects of Past Delays and said changes in the Project Schedule, including but not limited to any impacts cumulative impacts, ripple effects, use of a different means or methods, increased levels of effort, added resources, changed sequences, compressions, accelerations, demobilizations, inefficiencies, disruptions and other effects on the Contractor of same. The term "Schedule Change" does not include Future Delays and the impacts of Future Delays.

**Security Document** – Generic term for either an irrevocable letter of credit or a performance bond depending on the context.

**Shall or Will** - Whenever used to stipulate anything, shall or will means mandatory by either the Contractor or the Agencies, as applicable, and means that the Contractor or the Agencies, as applicable, has thereby entered into a covenant with the other party to do or perform the same.

**SIT Part 1: End-to-End Testing (Definition only for purposes of Modified Testing Plan CCA #2 Attachment A)** – This shall include end-to-end testing of all elements of the RFCS except for the

CCE, IPW and TRU (acronyms defined in “SIT Part 2” and “SIT Part 3”). This stage of testing shall also include testing of Product Business Rules that require the RFC devices to be in their end-to-end configuration, and Product Business Rules included in the approved end-to-end testing scenarios.

**SIT Part 2: CCW and TRU (Definition only for purposes of Modified Testing Plan CCA #2 Attachment) A** – The Call Center Website and Terminal Revalue Unit and related Reports.

**SIT Part 3: IPW (Definition only for purposes of Modified Testing Plan CCA #2 Attachment A)** – the Institutional Program Website and related Reports

**Smart Objects** - Devices that have an embedded contactless IC chip and antenna and provide limited functionality. Examples include watches, key chains or wrist bands.

**Software Documentation** - Comprises, for each program, module and element of software and firmware included in DDU IP, RCU IP, Contractor IP, RFCS IP and Third Party IP, the following items:

1. Complete source code including all header files, include files, make files, and macros.
2. Copy (pre-built) of the application executables and libraries produced from the source code.
3. Description of the relationship of the object code modules or “executables” to each other; as well as the relationship of these executables to any third-party programs.
4. Description of the source computer which created the source code; the configurations necessary to compile the code; a copy of the proper compiler and the correct compilation instructions; any source code control system or other encryption or encoding devices which have been applied to the source code; any third party applications and how to access same; the configuration of the environment in which the executables will function, including hardware as well as third party software.
5. Comprehensive installation and configuration documentation and procedures, complete with copies of any automated tools used to perform the installation, detailing the steps required to enable a competent person with appropriate skills to install and run the target application.
6. Licensed copy of, and complete documentation for, the operating system or systems required to host the software.
7. Comprehensive build documentation and instructions reasonably required or necessary to enable a competent independent third party programmer to create, operate, maintain, modify, improve and create Derivative Works from the software without the help of any person, including, but not limited to:
  - a. documentation detailing the steps to build the target executable(s) and library(s) from the source code;
  - b. documentation detailing the pre-requisite configurations of the source code (e.g. directory structures) and compilation tools (e.g. compiler switches, environment variables) necessary to begin the build process.
  - c. documentation identifying the target platform requirements (including limitations and restrictions) that are necessary for the application to fully and

properly function as designed (e.g. operating system, environment variables, object library & DLL needs and expected location, third party drivers that must be installed and running, third party libraries, specific hardware resources that are expected by the application, list of alternatives if applicable for any of the required Software or hardware elements)

d. scripts, utilities, lists of tools (including compiler names and versions), make tool names and versions, third party libraries, and an archive copy of tools

e. technical specifications, flowcharts and logic diagrams, schematics, annotations and data files

8. Programming tools and routines created by the Contractor and not commercially available.
9. Listing of all third party utilities, drivers, libraries, and header files used to compile and link the source code; and copy of all documentation that is generally provided to licensees with the third party utilities, drivers, libraries, and header files to the extent provision of copies is permitted by the third parties.
10. Listing of the application(s) used to build the target executable(s) and library(s) from the source code and documentation of same to the extent its provision is permitted by third party owners.
11. Verification and validation procedures to ensure software build is correct and complete.
12. Complete list of any passwords required by the target software or any third party application where applicable.
13. All other information necessary to compile and use the source code
14. Security algorithms and security keys
15. User Documentation including but not limited to user manuals, training manuals, and maintenance manuals
16. General Public Documentation including instructions to the general public, third-party reseller retailers and institutional customers on the features, uses and functions of the software

**Software Revisions** – Any changes to the design or coding of RFCS software or firmware, including but not limited to new software, software Updated, software Upgrades, or software changes or Modifications.

**Specifications or Contract Specifications** - Written descriptions of the Work to be performed, as contained in the Contract Documents.

**Subcontract** - Any agreement between the Contractor and a Subcontractor or between Subcontractors that is based on this Contract, provided that the term “subcontract” does not include the purchase of (i) support services not related to the subject matter of this Contract, or (ii) supplies.

**Subcontractor** - An individual, association, partnership, firm, company, corporation, or joint venture entering into a contract or an agreement with the Contractor to perform any portion of the Work covered by the Contract, including but not limited to ERG R&D PTY Ltd and any other



wholly-owned subsidiary of ERG Limited.

**Submittals** - Information submitted by the Contractor to the Contract Administrator or Agencies in accordance with the Contract requirements.

**TVM Transaction Processor** – Ticket Vending Machine Transaction Processor

**Tag** - The interaction between an RFCS card and an FTP initiated by the cardholder.

**Territory** – States of Washington, Idaho and Oregon

**Test/Training Rigs** – Units of Onboard Equipment provided to the Agencies for the purpose of testing/training outside of a bus or terminal.

**Third Party IP** - All Intellectual Property and any Updates and Upgrades thereto that are provided by the Contractor for use in the RFC System but which Intellectual Property is not owned by the Contractor, ERG Limited, ERG R&D Pty. Ltd., any other wholly-owned subsidiary of ERG Limited or an Agency.

**Third-party Revalue Providers** – Retail and other establishments within the Territory at which RFCS Cards may be re-valued by cardholders.

**Third Party Software** - All software and documentation related thereto in respect of which rights are included in the Third Party IP.

**Update** - Any revision to software and firmware used in the RFC System that is created or provided by the Contractor and that is required for the continued operation and maintenance of the RFCS including, but not limited to, error corrections, bug fixes, work-arounds, patches, changes in third party software or required to accommodate such changes and any other fixes and changes not constituting an Upgrade. These shall not be considered Change Orders under the Contract. If not capitalized, the term, “update,” shall refer to the same types of revisions, whether or not related to the RFCS, but as performed by an Agency or its employees or contractors.

**Upgrade** – An elective revision to software and firmware used in the RFC System that is not required for the continued operation and maintenance of the RFC System but is provided by the Contractor, at the Agencies’ discretion, to provide additional functionality. If not capitalized, the term, “upgrade,” shall refer to the same types of revisions but as performed by an Agency or its employees or contractors.

**Use Data** – Data and other information of all types, whether or not copyrighted, that is created, generated, collected, discovered, or otherwise obtained by the Contractor, or its subcontractors, in the course of performing the Work, and that relates to the use of RFCS Cards, the RFCS Application on non-Agency issued cards or media, or the operation of the RFC System. Examples include, but are not limited to: data related to customers of smart cards, data related to the sale of smart cards, data related to the addition or subtraction of value to or from smart cards, data related to the revocation of smart cards, data related to the linking of a particular smart card to an individual person, data related to the use of smart cards, and any data generated from the foregoing.

**Use Data Reports** – Any summaries, manipulations, extractions, representations or other reports of Use Data created by the Contractor, its Subcontractors, the Agencies or any other entity authorized by the Agencies.

**User Documentation** – Documentation designed to instruct users on the features, uses and functions of the RFC System, including but not limited to user manuals, training manuals, and maintenance manuals.

**Warranty Period** – The period of twelve (12) months following Full System Acceptance but no longer than twenty-four (24) complete months after the commencement of Beneficial Use Status. For software provided after Full System Acceptance, the Warranty Period shall be twelve (12) months following acceptance of the Update or Upgrade. For a unit of equipment and other RFCS items provided after Full System Acceptance, the Warranty Period shall be twelve (12) months following acceptance of the unit of equipment.

**WDOLS** – The wireless data on/off loading system including equipment both on-board and at bases.

**Work** - Every act and thing to be done and provided in order to fulfill the Contract.